GOVERNMENT OF INDIA
SMALL SCALE INDUSTRIES
LOK SABHA

UNSTARRED QUESTION NO:3663
ANSWERED ON:19.08.2003
SMALL INDUSTRIES DEVELOPMENT ORGANISATION (SIDO)
LAKSHMAN SINGH

Will the Minister of SMALL SCALE INDUSTRIES be pleased to state:

(a) the measures taken by the Union Government to promote ancillarisation in the Small Scale Industries Sector through Small Industries Development Organisation (SIDO) in the country;

(b) if so, the details thereof, State-wise, during the last three years;

(c) whether it is a fact that the small scale industries are closing down in the country due to psychological fear of failures due to competition from imported goods as a result of WTO; and

(d) if so, the steps being taken by the Government to check this trend?

Answer

MINISTER OF STATE FOR SMALL SCALE INDUSTRIES AND DEVELOPMENT OF NORTH-EASTERN REGION (SHRI SIKDAR)

(a) & (b): To promote ancillarisation in the small scale sector, the Union Government has been organizing a number of Vendor Development Programmes-cum-Buyer-Seller Meets and Exhibitions all over the country both at national and regional levels. These Programmes are organized by the Small Industries Service Institutes (SISIs) with active cooperation of Industries Departments of various State/ U.T. Governments and the Industries Associations of the respective areas. Besides this, the Government has also been assisting the SISIs and Industry Associations for setting up Sub-contracting Exchanges.

The details of the Vendor Development Programmes held and Sub-Contracting Exchanges set up during the last three years State-wise are enclosed at Annexure- I & II, respectively.

(c) & (d): The removal of quantitative restrictions (QRs) due to implementation of WTO agreements have exposed the SSIs to a greater competition and hence it could be one of the reasons of closure of SSI units in the country. However, even after the removal of QRs, protection to the industries is available in the form of raising custom duties up to the bound levels, imposing anti-dumping duties, taking safeguard measures in case of surge in imports etc. The Government has taken several steps to help SSIs become globally competitive which, inter alia, include focussed attention on technology upgradation, infrastructure assistance through cluster approach, timely availability of credit, adoption of modern management practices, use of electronic infrastructure and other IT applications to face the emerging challenges of trade liberalization. Many of these measures formed part of the Comprehensive Policy Package for the development of SSIs announced by the Government on 30th August, 2000.